

EXHIBIT 2

BROWN DECLARATION IN SUPPORT OF MOTION TO EXCLUDE

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1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION
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IN RE: HIGH-TECH EMPLOYEE)
5 ANTITRUST LITIGATION) No. 11-CV-2509-LHK
6 -----

7 -HIGHLY CONFIDENTIAL-
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9 VIDEOTAPED DEPOSITION OF EDWARD LEAMER
10 San Francisco, California
11 Tuesday, June 11, 2013
12 Volume II
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21 Reported by:
ASHLEY SOEVYN
22 CSR No. 12019
23 Job No. 1682449
24
25 Pages 477 - 856

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1 MR. MITTELSTAEDT: Now Exhibit 91, which 11:13:13

2 I'm handing you. 11:13:15

3 (Exhibit 91 marked for identification.) 11:13:24

4 BY MR. MITTELSTAEDT: 11:13:24

5 Q. It's meant to be the same data, except it 11:13:24

6 -- in three respects, it's -- it's sorted by total 11:13:30

7 employee years. So you see in column 3 that it's in 11:13:36

8 descending order of total employee years? 11:13:42

9 A. Yes. 11:13:48

10 Q. And also we've added a section 7 over on 11:13:49

11 the right, which we can talk about later. Do you 11:13:51

12 see that for the top six jobs in terms of total 11:14:01

13 employee years, none of them have the T-statistic 11:14:04

14 for any of the variables greater than 2? Do you see 11:14:10

15 that? 11:14:14

16 A. I do see that. 11:14:15

17 Q. And do you see from the highlighting in 11:14:17

18 section 4 that the vast majority of T-statistics, 11:14:21

19 whether it's for what you call internal or external 11:14:25

20 variables, is less than 2? 11:14:29

21 MR. GLACKIN: Could you -- could you 11:14:34

22 clarify what the highlighting is? 11:14:35

23 MR. MITTELSTAEDT: The highlighting is less 11:14:37

24 than 2. 11:14:39

25 MR. GLACKIN: Okay. So somebody did that 11:14:40

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1	contemporaneous effect, that this is a title that	11:21:37
2	may be disconnected on a year-by-year basis from the	11:21:40
3	rest of the class. It is connected intertemporally,	11:21:44
4	meaning when it gets out of line, you get the	11:21:48
5	corrective operating.	11:21:51
6	So my point is you cannot look at the minus	11:21:53
7	.07 without also looking at the .44 phase.	11:21:55
8	Q. Go back a sec, though. What does the .07	11:21:59
9	made -- mean, just looking at it by itself?	11:21:59
10	A. I told you that. You can't interpret that	11:22:05
11	by itself. And the fact that it's a small negative	11:22:08
12	and statistically insignificant, while the other	11:22:11
13	variables are larger positives and not -- not as --	11:22:13
14	not the true level T, but still a 1.13, I told you	11:22:17
15	my interpretation of those two things together is	11:22:22
16	that the -- the contemporaneous sharing effect is	11:22:26
17	probably small for this particular title. But the	11:22:30
18	corrective action is important because if this title	11:22:33
19	compensation gets out of line with the rest of the	11:22:36
20	firm, then it's brought back in over time. Okay.	11:22:41
21	Which is the column 12. So, again, I'm just trying	11:22:43
22	to make sure that we can't do something which is	11:22:46
23	inappropriate, which is to interpret column 11 all	11:22:48
24	by itself.	11:22:51
25	Q. When you say small sharing effect, it's	11:22:51

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1	negative?	11:22:54
2	A. Well, it's statistically -- it's not	11:22:59
3	distinguishable from zero.	11:23:00
4	Q. Okay. How do you know that?	11:23:02
5	A. Because T-stat in this case is minus .14.	11:23:03
6	Q. So below 2 or minus 2?	11:23:07
7	A. Yeah, I would say that the better way of	11:23:11
8	saying this, rather than refer to T-stat is to say	11:23:13
9	the standard area on this is large. So the data set	11:23:17
10	allows that coefficient to be a positive number.	11:23:19
11	There's no way to rule it out in the statistical	11:23:22
12	sense. It's actually a positive number.	11:23:25
13	Q. Okay. Look at section 5, which is where	11:23:27
14	you do the net effect of the contemporary and the	11:23:31
15	lag?	11:23:34
16	A. Yes.	11:23:35
17	Q. And the top one is .75 with a T-statistic	11:23:36
18	less than 2. Does the size of that coefficient	11:23:40
19	affect your opinion in any way?	11:23:46
20	A. This primarily is a question of size.	11:23:48
21	And --	11:23:53
22	Q. I'm asking does the -- does the size of the	11:23:53
23	coefficient affect your opinion in any way?	11:23:56
24	A. It's primarily a question of size. Now,	11:24:01
25	let me explain to you why the magnitude may also	11:24:03

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1 matter, and that has to do with pulling this result 11:24:06
2 across the other titles. So -- so you've got 11:24:11
3 this -- not just one title, but you have row after 11:24:15
4 row after row. It all has almost all positive 11:24:18
5 coefficients. You have to interpret any row in the 11:24:21
6 context of all these other positive coefficients. 11:24:21
7 And the bigger of all the positive coefficients, the 11:24:25
8 greater will be that source of pulling that I'm 11:24:28
9 making a reference to. 11:24:30

10 Q. Did you take into account the size of the 11:24:39
11 coefficient at all? 11:24:42

12 A. Well, I -- I looked over this exhibit. I 11:24:46
13 studied the exhibit and I -- and I used that as a 11:24:48
14 basis for my conclusion -- 11:24:52

15 Q. And so when you -- 11:24:56

16 A. -- which is -- 11:24:56

17 Q. You don't need to tell me your conclusion 11:24:56
18 again, sir. When I get down to a section 5, a 11:24:59
19 coefficient of 2.01, about 10, 11 down. Do you see 11:25:02
20 that? 11:25:08

21 A. Yes, I do. 11:25:09

22 Q. And then you go down two more and you get 11:25:09
23 to a negative .05? 11:25:12

24 A. Yes. 11:25:16

25 Q. Does the size of that 2.0 affect your 11:25:18

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1 STATE OF CALIFORNIA) ss:
2 COUNTY OF MARIN)
3

4 I, ASHLEY SOEVYN, CSR No. 12019, do hereby
5 certify:

6 That the foregoing deposition testimony was
7 taken before me at the time and place therein set
8 forth and at which time the witness was administered
9 the oath;

10 That the testimony of the witness and all
11 objections made by counsel at the time of the
12 examination were recorded stenographically by me,
13 and were thereafter transcribed under my direction
14 and supervision, and that the foregoing pages
15 contain a full, true and accurate record of all
16 proceedings and testimony to the best of my skill
17 and ability.

18 I further certify that I am neither counsel for
19 any party to said action, nor am I related to any
20 party to said action, nor am I in any way interested
21 in the outcome thereof.

22 IN THE WITNESS WHEREOF, I have transcribed my
23 name this 17th day of June, 2013.
24

25 _____
ASHLEY SOEVYN, CSR 12019